

## FISCAL NOTE

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 12, 1996

SUBJECT: **SB 2725 - HB 2530**

This bill, if enacted, will reduce the years of service requirement for retirement eligibility for Group I employees from 30 years of service to 25 years of creditable service.

The provisions of the bill are applicable to employees of political subdivisions (mandates cost); however, the bill does not affirmatively state that it has application to participating political subdivisions. Therefore, to increase such benefits is optional to local governments under current statutes.

The fiscal impact from enactment of this bill is estimated to be an increase in accrued liabilities of \$328,000,000 with annual amortized cost of \$35,220,000 to the state.

Further, the fiscal impact on local governments from enactment of this bill in and of itself is estimated to be minimal since provisions of the bill are permissive.

The estimated fiscal impact should all local governments elect to come under the provisions of the bill will be an increase in accrued liabilities of \$81,500,000 with annual amortized cost of \$8,800,000.

These estimates assume the accrued liability will be amortized over 20 years at 8%.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director